

Exchange of informational material with Iranian author.

FAC No. [text deleted]

[text deleted]
[text deleted]
[text deleted]

Dear [text deleted]:

This is in response to your letter of April 18, 2002 to the Department of the Treasury's Office of Foreign Assets Control ("OFAC"). In your letter you requested guidance regarding the application of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), to your proposed publication arrangement with an Iranian author. As we understand the facts, you are an author of [text deleted] books who has exchanged texts and books with an Iranian author. You provided these texts and books to the Iranian author in order to have them published in Iran. In addition, you propose to convert one of the Iranian author's texts to a [text deleted] book and to assist with its publication in the United States.

Section 560.201 of the ITR prohibits the importation into the United States of any goods or services of Iranian origin. Section 560.204 of the ITR prohibits, *inter alia*, the direct or indirect exportation of U.S.-origin goods, technology, or services to Iran or the Government of Iran. Further, § 560.206 of the ITR prohibits any transactions or dealing in or related to: 1) Goods or services of Iranian origin or owned or controlled by the Government of Iran; or 2) Goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran.

The prohibitions contained in these provisions of the ITR do not apply to the importation from any country or the exportation to any country of information and informational materials. 31 C.F.R. §§ 560.210(c); 560.315 (copies enclosed). The exemption in the ITR for information and informational materials authorizes the exportation to Iran and the importation from Iran of most books and other printed materials. See § 560.315(b). The exemption does not apply, however, to transactions related to information and informational materials not fully created and in existence at the date of the transactions, to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. § 560.210(c)(2).

Consequently, although the exemption for information and informational materials authorizes the sale or trade of a book or a completed manuscript, it does not authorize U.S. persons to create new works at the behest of persons in Iran or to engage persons in Iran to create new works. Nor does it authorize direct or indirect transactions between U.S. persons and persons in Iran relating to the importation

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into or exportation from the United States of services relating to the substantive or artistic alteration or enhancement of a manuscript. Accordingly, the creation of illustrations for a person in Iran is not permitted as it constitutes a prohibited exportation of services. Likewise, your assistance to the Iranian author in editing and preparation for publication of manuscripts or such services by a person in Iran for a U.S. person, including activities such as reordering of paragraphs or sentences, correction of syntax, grammar, and replacement of inappropriate words, would result in a substantively altered or enhanced product, and is therefore prohibited under the ITR unless specifically licensed.

Similarly, the exemption for information and informational materials does not authorize the provision of marketing or business consulting services, including without limitation services to market, produce or co-produce, create, or assist in the creation of information or informational materials. Inherent in the publication of a book are marketing, distribution, artistic, advertising and other services not exempt from the prohibitions of §§ 560.201, 560.204, and 560.206. Thus, you may not publish books in the United States on behalf of a person in Iran, nor may a person in Iran publish books on your behalf.

A summary of the ITR is enclosed. If you have any additional questions about the economic sanctions programs administered by OFAC, you may refer to our web site at www.treas.gov/ofac or call our office at (202)622-2480.

Sincerely,



R. Richard Newcomb
Director
Office of Foreign Assets Control

Enclosures

